

TITLE 77: PUBLIC HEALTH
CHAPTER I: DEPARTMENT OF PUBLIC HEALTH
SUBCHAPTER g: GRANTS TO DENTAL AND MEDICAL STUDENTS

PART 590
UNDERSERVED HEALTH CARE PROVIDER~~PHYSICIAN~~ WORKFORCE CODE

SUBPART A: GENERAL PROVISIONS

Section

- 590.10 Applicability (Repealed)
- 590.20 Definitions
- 590.30 Referenced Materials
- 590.40 Administrative Hearings
- 590.50 Award of Grants (Repealed)
- 590.60 Advisory Committee for Residency Programs

SUBPART B: GRANTS TO FAMILY PRACTICE RESIDENCY PROGRAMS

Section

- 590.100 Eligibility for Grants
- 590.110 Limitations on Use of Grant Funds
- 590.120 Project Requirements
- 590.130 Application for Grants
- 590.135 Application Processing
- 590.140 Selection Criteria
- 590.150 Grant Awards, Terms and Conditions
- 590.160 Grant Funds Recovery
- 590.170 Reporting Requirements

SUBPART C: MEDICAL STUDENT SCHOLARSHIPS

Section

- 590.200 Limitations on Use of Scholarship Funds
- 590.205 Notice
- 590.210 Eligibility for Application
- 590.215 Application Processing
- 590.220 Criteria for Selecting Scholarship Recipients
- 590.230 Terms of Performance
- 590.231 Deferment of Continuous Attendance Requirement
- 590.232 Waiver of Continuous Attendance Requirement
- 590.233 Fulfillment of Service Obligation
- 590.234 Deferment of Service Obligation

44 590.235 Waiver of Service Obligation

45 590.240 Scholarship Repayment

46

47 SUBPART D: EDUCATIONAL LOAN REPAYMENT FOR PHYSICIANS

48

49 Section

50 590.300 Limitations on Use of Loan Repayment Funds

51 590.310 Eligibility for Application

52 590.315 Application Processing

53 590.320 Selection Criteria for Distribution of Loan Repayment Funds

54 590.325 Educational Loan Repayment Agreement

55 590.326 Fulfillment of Service Obligation

56 590.327 Deferment of Service Obligation

57 590.328 Waiver of Service Obligation

58 590.330 Terms of Performance

59 590.335 Medical Facility Transfer

60 590.340 Reporting Requirements

61 590.345 Educational Loan Repayment Award Monitoring

62 590.350 Cooperation with Investigations and Audits

63 590.355 Penalty for Failure to Fulfill Service Obligation

64 590.360 Suspension or Termination of Educational Loan Repayment Funding

65

66 SUBPART E: DESIGNATION OF SHORTAGE AREAS

67

68 Section

69 590.400 Data Elements Used in Designation Process (Repealed)

70 590.410 Criteria for Designating Shortage Areas (Repealed)

71 590.420 Distribution of Lists of Designated Shortage Areas (Repealed)

72

73 590.APPENDIX A Sample Contract for Medical Student Scholarship (Student Contract)
74 (Repealed)

75 590.APPENDIX B Sample Contract for Scholarship Service Obligation (Repealed)

76 590.APPENDIX C Sample Contract for Monetary Repayment of Scholarship Obligation
77 (Repealed)

78 590.APPENDIX D Sample Contract for Educational Loan Repayment (Repealed)

79

80 AUTHORITY: Implementing and authorized by the Underserved Health Care Provider
81 Workforce Act [110 ILCS 935].

82

83 SOURCE: Filed June 8, 1978; amended at 4 Ill. Reg. 38, p. 185, effective September 10, 1980;
84 codified at 8 Ill. Reg. 4509; Part repealed, new Part adopted at 15 Ill. Reg. 1833, effective
85 January 25, 1991; amended at 35 Ill. Reg. 14089, effective August 4, 2011; amended at 44 Ill.

Reg. 20074, effective December 9, 2020; amended at 47 Ill. Reg. _____, effective _____.

SUBPART A: GENERAL PROVISIONS

Section 590.20 Definitions

When used in this Part, the following terms have the meanings ascribed in this Section:

"Academic year" means September 1 in one year through August 31 of the next year, or as otherwise defined by the accredited school.

"Accredited family practice residency" means a training program meeting the requirements of the Accreditation Council for Graduate Medical Education of the American Medical Association, or the Committee on Postdoctoral Training of the American Osteopathic Association.

"Accredited medical school" means a college or university at which a Doctor of Medicine (M.D.) degree or a Doctor of Osteopathic Medicine (D.O.) degree is earned. For an M.D., the college or university is accredited by the Liaison Committee on Medical Education (<http://lcme.org/>). For a D.O., the college or university is accredited by the Commission on Osteopathic College Accreditation (<https://www.osteopathic.org/inside-aoa/accreditation/COM-accreditation/Pages/default.aspx>).

"Act" means the Underserved [Health Care Provider](#) ~~Physician~~ Workforce Act [110 ILCS 935].

"Administrative law judge" shall have the meaning ascribed in 77 Ill. Adm. Code 100 (Practice and Procedure in Administrative Hearings).

"Advanced practice registered nurse" or "APRN" means a person who has met the qualifications for a certified nurse midwife (CNM), certified nurse practitioner (CNP); certified registered nurse anesthetist (CRNA); or clinical nurse specialist (CNS) and has been licensed by the Department of Financial and Professional Regulation. (Section 50-10 of the Nurse Practice Act)

"Authorized representative" means a person who has authority to act on behalf of the legal entity or person that is an applicant or grantee. Authorized representatives are: for a corporation, any of its officers or members of its board of directors; for a limited liability company, any of its managers or members; for a partnership, any of its general partners; and for a sole proprietor, the individual who is the sole proprietor.

"Board certified physician" means a physician who has passed a medical specialty examination and who has maintained certification of that specialty from a nationally recognized medical specialty board certification body.

"Board eligible physician" means a physician who has completed the requirements for admission to a medical specialty board examination but has not yet taken and passed the examination.

"Breach of service obligation" means failure for any reason to begin or complete all of a contractual service commitment.

"Business day" means Monday through Friday. It does not include a federal or State government declared holiday, Saturday or Sunday.

"Calendar day" means all days in a month or prescribed time frame. It includes weekends and federal or State government declared holidays.

"Center" means the Center for Rural Health of the Illinois Department of Public Health.

"Certified Mail" means U.S. Mail for which proof of delivery is obtained.

"Children's Health Insurance Program" or "CHIP" means health coverage that is provided to eligible children, through the Illinois Department of Healthcare and Family Services.

"Commercial loans" means loans made by banks, credit unions, savings and loan associations, insurance companies, and other licensed financial institutions.

"Committee" means the Advisory Committee for Residency Programs. (Section 3.03 of the Act)

"Community-based organization" means a locally organized and locally recognized group of individuals whose goals include efforts to lawfully maintain or increase the availability of health care in their community.

"Construction" means the establishment of a new building (including the installation of fixed equipment), or completion of shell space in an existing building.

"Construction costs" or "Modernization costs" means expenses from a construction contract.

"Continuous attendance" means enrollment in an accredited medical school for an entire academic year and for the total duration of time it takes the student to complete medical education, up to the maximum number of years the recipient is eligible to receive the scholarship. Continuous attendance shall be deemed to have been broken if the student goes more than 12 months without successfully completing a medical-related course from an accredited medical school.

"Default" means failure to meet all legal obligations or conditions of a loan.

"Deferment" means the temporary delay or postponement of a scholarship recipient's continuous attendance or service obligation or an educational loan repayment recipient's service obligation.

"Department" means the Illinois Department of Public Health. (Section 3.01 of the Act)

"Designated Shortage Area" means an area designated by the Director as a physician shortage area, a medically underserved area, or a critical health manpower shortage area as defined by the United States Department of Health, Education and Welfare, or as further defined by the Department to enable it to effectively fulfill the purpose stated in Section 2 of the Act. Such areas may include the following:

an urban or rural area which is a rational area for the delivery of health services;

a population group;

a public or nonprofit private medical facility; or

a government-owned, privately owned, independent, or provider-based Rural Health Clinic or hospital that accepts Medicaid, Medicare, the State's Children's Health Insurance Program, private insurance, and self-pay. (Section 3.04 of the Act)

"Direct patient care" means care of a patient provided by an eligible health care provider~~a physician licensed to practice medicine in all of its branches under the Medical Practice Act of 1987.~~ It may involve any aspect of the health care of a patient, including diagnostic and treatment services; support services such as laboratory, radiologic, and pharmacy; counseling; in-service for self-care; patient education; and administration of medication.

"Director" means the Director of the Illinois Department of Public Health.
(Section 3.02 of the Act)

"Disabled" shall have the meaning ascribed in Section (2)(A)(2.1) of the Business Enterprise for Minorities, Females and Persons with Disabilities Act.

"Disability" shall have the meaning ascribed in Section 1-103(I) of the Illinois Human Rights Act.

"Due diligence" means action taken toward the completion of a project with the diligence and foresight that persons of ordinary prudence and care would exercise under similar circumstances.

"Data Universal Numbering System" or "DUNS" is a system that assigns a unique numeric identifier, referred to as a DUNS number, to a single business entity.

"Educational loan repayment award" or "award" means the amount of funding awarded to a recipient based upon reasonable educational expenses, up to a maximum established by the program.

"Eligible health care provider" means a primary care physician, general surgeon, emergency medicine physician, ~~or obstetrician~~, advanced practice registered nurse, or physician assistant who accepts Medicaid, Medicare, the State's Children's Health Insurance Program, private insurance, and self-pay. (Section 3.09 of the Act)

"Eligible medical student" means a person who meets all of the following qualifications:

He or she is an Illinois resident at the time of application for a scholarship;

He or she is studying medicine in an accredited medical school located in Illinois;

He or she exhibits financial need as determined by the Department; and

He or she agrees to practice full-time, at a Department approved site located in a designated ~~health-professional~~ shortage area ~~(HPSA)~~ in Illinois as a primary care physician, general surgeon, emergency medicine physician, or obstetrician, one year for each year he or she is a scholarship recipient. (Section 3.07 of the Act)

"Emergency medicine physician" means a physician licensed to practice medicine in Illinois under the Medical Practice Act of 1987 with a specialty dedicated to the care and treatment of acutely ill or injured patients who need immediate medical attention.

"Equipment" means tangible personal property of a non-consumable~~nonconsumable~~ nature that may be acquired by a purchase, lease purchase, or installment contract that has a value exceeding \$100.

"Equipment costs" means the cost of movable capital equipment that is not in a construction or renovation contract.

"Federally Qualified Health Center" or "FQHC" means a health center funded under section 330 of the Public Health Service Act (42 U.S.C.~~USC~~ 254b).

"Federally Qualified Health Center Look-Alike" or "FQHC Look-Alike" means an organization that meets the requirements for receiving a grant under section 330 of the Public Health Service Act but does not receive federal grants under that authority.

"Federal poverty level as published in the Federal Register" means the poverty level population figures published annually in the Federal Register. The Federal Register may be found at the website: <https://www.federalregister.gov/>.

"Fellowship" means optional medical training, usually one year, completed after residency training.

"Fiscal year" means the financial operating year of Illinois State government. It begins on July 1 and ends on June 30 of the next calendar year.

"Fixed equipment" means assets that are usually attached and integral to the building's function.

"Forbearance" means the postponement of loan payments by a lender for a temporary period to give the borrower time to make up overdue payments.

"Full-time practice ~~for physicians~~" means a recipient works~~working~~ a minimum of 40 hours per week, for a minimum of 45 weeks per year, at a medical facility located in a designated shortage area~~an HPSA~~ in Illinois. For general surgeons and emergency medicine physicians, full-time practice means working a minimum of 32 hours per week, for a minimum of 45 weeks per year, at a medical facility located in a designated shortage area~~an HPSA~~ in Illinois.

"Funding period" means the time frame during which grant funds are to be expended by the grantee (usually corresponding with the Department's fiscal year).

"General surgeon" means a physician licensed to practice medicine in Illinois under the Medical Practice Act of 1987 after successful completion of an accredited surgical residency program, with a specialty in the diagnosis, preoperative, operative, and postoperative surgical management of a patient.

"Good academic standing" means a student is matriculating with the rest of his or her class, as determined by the student's medical school.

"Government loans" means loans made by federal, State, county or city agencies authorized to make those loans.

"Grant" means funds awarded under the Act.

"Grantor agency" means any agency of State government which dispenses grant funds. (Section 2(a) of the Illinois Grant Funds Recovery Act)

"Grant Agreement" or "agreement" means the agreement entered into between the Department and the grantee setting forth the terms and conditions of a scholarship or educational loan repayment award.

"Grant funds" means public funds dispensed by the Department to any person or entity for obligation, expenditure or use for a specific purpose. (Section 2(b) of the Illinois Grant Funds Recovery Act)

"Grantee" means a person or entity which may use grant funds. (Section 2(c) of the Illinois Grant Funds Recovery Act)

"Half-time practice ~~for physicians~~" means a recipient works~~working~~ a minimum of 20 hours per week, but no more than 39 hours per week, for a minimum of 45 weeks per year, at a medical facility located in a designated shortage area~~an HPSA~~ in Illinois. For general surgeons and emergency medicine physicians, half-time practice means working a minimum of 16 hours per week but no more than 24 hours per week, for a minimum of 45 weeks per year, at a medical facility located in a designated shortage area~~an HPSA~~ in Illinois.

~~"Health Professional Shortage Area" or "HPSA" means a designation assigned by the U.S. Department of Health and Human Services, Health Resources and Services Administration. The HPSA designation indicates the shortage of primary medical care, dental or mental health providers. The HPSA designation~~

~~may be geographic (a county or service area), population group (e.g., low income, Medicaid eligible) or facility (comprehensive health center, FQHC or other public facility). HPSA designations can be found at <http://hpsafind.hrsa.gov/>.~~

"Health Professional Shortage Area Score" or "HPSA score" means the HPSA shortage severity score calculated by the U.S. Department of Health and Human Services (HHS).

"Hospital" means a location defined in and licensed under the Hospital Licensing Act [210 ILCS 85].

"Illinois resident" means a person who is a resident of Illinois at the time of application for a Medical Student Scholarship or educational loan repayment award and who is a citizen or national~~lawful permanent resident~~ of the United States.

"Legal holiday" means a holiday set by statute, during which government working hours are suspended.

"Lender" means the commercial or government entity that made the qualifying loan.

"Matriculation fees" means the actual educational expenses charged to all students by the various medical schools. These fees are charged to offset the expenses incurred by the school in areas such as the application and enrollment processing, library use, mandatory health insurance, and student activities.

"Medicaid" means a health insurance program for individuals with limited income and limited financial assets. The Medicaid program is jointly administered and funded by the federal and State government.

"Medical school" means any private or public nonprofit school in Illinois that provides education leading to a doctor of medicine or doctor of osteopathy degree, that is approved by the Illinois Department of Financial and Professional Regulation, pursuant to the Medical Practice Act of 1987, and that is accredited by the Liaison Committee on Medical Education (<http://lcme.org/>) or the Commission on Osteopathic College Accreditation (<https://www.osteopathic.org/inside-aoa/accreditation/COM-accreditation/Pages/default.aspx>).

"Medical facility" means a facility for the delivery of health services and includes a hospital, State mental health institution, public health center, outpatient medical facility, rehabilitation facility, long term care facility, community mental health

center, migrant health center, community health center, rural health clinic, or State correctional institution. (Section 3.08 of the Act)

"Medical student" means an individual studying medicine in an accredited medical school located in Illinois.

"Medically underserved area" or "MUA" means a location designated by the U.S. Department of Health and Human Services based on the availability of primary care physicians, demographic characteristics, and health status of the residents of a service area. The designation is used to identify areas in need of additional health care services. MUAs can be found at: <https://data.hrsa.gov/tools/shortage-area/mua-find>~~an urban or rural area designated by the HHS Secretary as an area with a shortage of personal health services.~~

"Medically underserved population" or "MUP" means individuals who:

reside in an HHS designated Health Professional Shortage Area or a medically underserved area;

who are designated a medically underserved population by HHS; or

who reside in an area designated by the Department as underserved.

"Medicare" means the federal government's health insurance program for: people who are 65 or older; certain younger people with disabilities; and people with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a transplant, sometimes called ESRD).

"Metropolitan Statistical Area" or "MSA" means one or more adjacent counties that have at least one urban core area of at least 50,000 population, plus adjacent territory that has a high degree of social and economic integration with the core, as measured by commuting ties.

"Modernization" means alteration, renovation, upgrading, or improvement of an existing building.

"Null and void" means an application submitted to the Department has no legal force and is invalid.

"Obligation" or "Obligated" means a requirement for a grantee to make future payments from grant funds that result from financial transactions that have occurred with vendors or other entities in relation to the grantee's activities.

"Obstetrician" means a physician licensed to practice medicine in Illinois under the Medical Practice Act of 1987 with a specialty dedicated to pregnancy, childbirth and the postpartum period.

"Official transcript" means transcripts that have been received directly from the institution or have been issued to the applicant or recipient in a sealed envelope, which shall remain sealed until its arrival at the Department. The transcript shall include the institution's official seal, the date the transcript was issued, and the registrar's signature. The transcript will be verifiable by the Department.

"Physician assistant" means an individual licensed under the Physician Assistant Practice Act of 1987 [225 ILCS 95].

"Practice location" means the physical location where the eligible health care provider practices predominately. For full-time eligible health care providers, this means working at least 21 hours per week at this location. For general surgeons and emergency medicine physicians, this means working at least 17 hours per week at this location. For half-time providers, this means working at least 11 hours per week at this location. For half-time providers who are general surgeons and emergency medicine physicians, this means working at least nine hours per week at this location.

"Primary care" means health care that encompasses prevention services, basic diagnostic and treatment services, and support services, including laboratory, radiologic, and pharmacy.

"Primary care physician" means a person licensed to practice medicine in all of its branches under the Medical Practice Act of 1987 with a specialty in Family Practice, Internal Medicine, Obstetrics and Gynecology, or Pediatrics as defined by recognized standards of professional medical practice. (Section 3.05 of the Act)

"Primary care physician" means a general internist, family physician, or general pediatrician. (Section 3.10 of the Act)

"Private insurance" means a health insurance plan sold by the private health insurance industry. This involves employer-sponsored plans and private coverage purchased outside of the workplace from the individual and family health insurance marketplace.

"Project completion" means that the project has concluded based on the project objectives and within the time frame requirements in the Grant Agreement.

"Qualifying loan" means government or commercial loans used for tuition and reasonable educational and living expenses related to the medical degree that was obtained by the recipient prior to the recipient's application for loan repayment. These loans shall be contemporaneous with the education received.

"Rational area" means the geographic area surrounding a physician's office, a hospital or a clinic, from which the residents of the geographic area may be reasonably expected to seek health care from the physician, hospital or clinic located within that geographic area.

"Real property" means lands, structures, buildings, and anything that is affixed to them. Real property does not include items that can be moved, including equipment and furniture.

"Reasonable educational expenses" means the actual costs for education, exclusive of tuition. These costs include, but are not limited to, matriculation fees, books, supplies, clinical travel, educational equipment, materials, board certification, or licensing examinations. These costs shall not exceed the estimated standard budget for expenses for the degree program and for the years of enrollment.

"Reasonable living expenses" means room and board, transportation and commuting costs. These expenses shall not exceed the estimated standard budget for the recipient's degree program and for the years of enrollment.

"Recipient" means a medical student receiving funds from the Illinois Medical Student Scholarship Program or an eligible health care provider~~a health-care professional~~ receiving educational loan repayment funds.

"Residency matching process" means the U.S. National Resident Matching Program that coordinates the matching of medical students with the hospitals and residency training programs in the medical students' selected specialty. The matching application process usually lasts from June through September of one year, with match announcements made in March of the following year.

"Residency program" means a program accredited by the Accreditation Council for Graduate Medical Education (<http://www.acgme.org/>) or the Committee on Postdoctoral training of the American Osteopathic Association (<http://www.osteopathic.org/inside-aoa/accreditation/postdoctor-training-approval/Pages/default.aspx>). (Section 3.06 of the Act)

"Residency training" means the years of graduate medical education that follow medical school and that train the new physician in his or her chosen specialty (e.g., family practice, pediatrics).

"Rural" means any geographic area not located in a U.S. Bureau of the Census Metropolitan Statistical Area; or a county located within a Metropolitan Statistical Area but having a population of 60,000 or less; or a community located within a Metropolitan Statistical Area but having a population of 2,500 or less.

"Rural Health Clinic" means a clinic that is located in a rural area designated as a shortage area, is not a rehabilitation agency or a facility primarily for the care and treatment of mental diseases and provides primary care and routine laboratory services to medically underserved populations.

"Self-pay" means a patient who pays for their health-related service in absence of insurance to cover the medical or surgical procedure performed.

"Service obligation" means an eligible health care provider~~a physician~~ who practices full-time or half-time at a medical facility in a designated shortage area~~an HPSA~~ in Illinois. For medical student scholarship recipients, the physician must work *one year for each year he or she is a scholarship recipient*. (Section 3.07(d) of the Act) For educational loan repayment recipients, the eligible health care provider~~physician~~ must work full-time for two years or half-time for four years at a medical facility in a designated shortage area~~an HPSA~~ in Illinois for the initial grant term.

"Shell space" means space constructed to meet future needs. It is space enclosed by an exterior building shell, but otherwise unfinished inside.

"Submission of application" means that a complete grant, scholarship or educational loan repayment application has been received by the Department by the established deadline. Submission does not mean that the application is postmarked by the established submission deadline but arrives at the Department on a later date.

"Supplant" means to replace, to take the place of, or to supersede. As used in this Part, grant funds cannot be used to replace or supersede other sources of funding.

"Supplies" means a general purpose consumable item that commonly has a shorter life span than equipment, and that is stocked for recurring use.

"Supplies expense" means the actual costs incurred for general purpose consumable items that have a shorter life span than equipment and that are stocked for recurring use.

"Suspension" means an action by the Department to suspend a recipient's participation in Department grant and loan repayment programs for a specified period of time.

"Termination for cause" means termination of employment caused by the eligible health care provider's personal dishonesty, willful misconduct, breach of fiduciary duty, intentional failure to perform stated duties, or the willful violation of any law, rule or regulation, any of which results in material loss to the employer.

"Termination without cause" means termination of the eligible health care provider's employment for the convenience of the employer.

"Toll" or "Tolling" means to pause, postpone or suspend the running of a defined time period.

"Total and permanent disability" means a physical or mental impairment, disease, or loss of a permanent nature that prevents employment with or without reasonable accommodation.

"Travel" means the actual cost incurred by a grantee's employees to travel to fulfill specific job requirements. These costs could include air travel, local transportation, per diem, mileage allowance and lodging.

"Tuition" means the established charges of a medical school for instruction at that institution.

"United States citizen" means an individual born in the United States; Puerto Rico (on or after April 11, 1899); the Canal Zone or the Republic of Panama (on or after February 26, 1904); the Virgin Islands (on or after January 17, 1917); Guam (after April 11, 1899); or the Commonwealth of the Northern Mariana Islands (on or after November 4, 1986); ~~Puerto Rico, Guam, Northern Mariana Islands, U.S. Virgin Islands, American Samoa or Swain's Island~~; foreign-born children, under age 18, residing in the U.S. with their birth or adoptive parents, at least one of whom is a U.S. citizen by birth or naturalization; and individuals granted citizenship status by the U.S. Department of Homeland Security, Customs and Immigration Service. (See <https://www.uscis.gov/policy-manual/volume-12-part-a-chapter-2#footnote-6>)

"Urban" means any geographic area that does not meet the definition of "rural" in this Section.

"Waiver" means to permanently relieve a scholarship or educational loan repayment recipient's continuous attendance or service obligation, expressly put forth in writing.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 590.30 Referenced Materials

The following materials are referenced in this Part:

a) Illinois Statutes

- 1) Underserved Health Care Provider ~~Physician~~ Workforce Act [110 ILCS 935]
- 2) Medical Practice Act of 1987 [225 ILCS 60]
- 3) Hospital Licensing Act [210 ILCS 85]
- 4) Illinois Administrative Procedure Act [5 ILCS 100]
- 5) Department of Public Health Powers and Duties Law [20 ILCS 2310/2310-200]
- 6) Illinois Grant Funds Recovery Act [30 ILCS 705]
- 7) Illinois Human Rights Act [775 ILCS 5]
- 8) Business Enterprise for Minorities, Females and Persons with Disabilities Act [30 ILCS 575]
- 9) State Finance Act [30 ILCS 105]
- 10) State Comptroller Act [15 ILCS 405]
- 11) General Not For Profit Corporation Act of 1986 [805 ILCS 105]
- 12) Administrative Review Law [735 ILCS 5/Art. III]
- 13) Nurse Practice Act [225 ILCS 65]

14) Physician Assistant Practice Act of 1987 [225 ILCS 95]

b) Illinois Administrative Rules

- 1) Practice and Procedure in Administrative Hearings (77 Ill. Adm. Code 100)
- 2) Government Contracts, Procurement and Property Management (44 Ill. Adm. Code 750)

c) Federal Statutes

- 1) Federally Qualified Health Center, section 330 of the Public Health Service Act (42 U.S.C.~~USC~~ 254b)
- 2) Designation of Health Professional Shortage Areas, section 332 of the Public Health Service Act (42 U.S.C.~~USC~~ 254e)
- 3) Designation of Medically Underserved Areas/~~Populations~~populations, section 330 of the Public Health Service Act (42 U.S.C.~~USC~~ 254e)

(Source: Amended at 47 Ill. Reg. _____, effective _____)

SUBPART D: EDUCATIONAL LOAN REPAYMENT FOR PHYSICIANS

Section 590.300 Limitations on Use of Loan Repayment Funds

- a) Funds shall be used for the initial grant term *for the repayment of the educational loans of eligible health care providers who agree to serve in designated shortage areas~~HPSAs~~ for a specified period of time, no less than 2 years.* (Section 4.10 of the Act)
- b) *Payments under this program may be made for the principal, interest, and related expenses of government and commercial loans received by the individual for tuition expenses, and all other reasonable educational expenses incurred by the individual.* (Section 4.10 of the Act)
- c) *Payments made under this Section shall be exempt from Illinois State income tax.* (Section 4.10 of the Act)
- d) Loan repayment funds shall be used:

- 1) To repay qualifying educational loans of eligible health care providers who agree to serve in a medical facility in a designated shortage area~~an~~ **HPSA** in Illinois for a specified period of time;
 - 2) For educational loans that were obtained prior to the date the recipient applies for loan repayment assistance;
 - 3) To retire qualifying educational loans if the loans are the result of consolidated or refinanced debt. To qualify, the consolidated or refinanced loans shall:
 - A) Originate from a government (federal, State or local) or commercial lender; and
 - B) Include only the qualifying educational loans of the eligible health care provider.
- e) Loan repayment funds shall not be used:
- 1) To repay a practice obligation resulting from educational loans or scholarships, whether from Illinois-based institutions or governments or those in other states;
 - 2) To fulfill practice obligations to the federal government, the State or other entity (such as a local government or the U.S. military), under an agreement with the federal, State or other entity; or
 - 3) To retire qualifying educational loans if the consolidated or refinanced debt is:
 - A) Commingled with non-qualifying debt; or
 - B) Consolidated with loans owed by another person, such as a spouse or child.
- f) The following types of debt are ineligible for loan repayment assistance through this Part:
- 1) Loans for which the associated documentation does not identify the loan as applicable to undergraduate or graduate education;
 - 2) Loans not obtained from a government entity or licensed commercial lending institution in the United States;

- 3) Parent PLUS loans;
 - 4) Co-signed loans;
 - 5) Loans currently in default;
 - 6) Loans currently in forbearance;
 - 7) Personal lines of credit or personal loans;
 - 8) Residency relocation loans; and
 - 9) Credit card debt.
- g) Loan repayment funds cannot be used by recipients to reimburse themselves for loans that have been repaid.
- h) Under the provisions of the federal Treasury Offset Program (<https://fiscal.treasury.gov/top>) and the State Comptroller Act, recipients will have their loan repayment funds offset to fulfill a delinquent federal or State debt. The offset of loan repayment assistance funds shall not in any way reduce, waive, defer or suspend a recipient's service obligation under this Part.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 590.310 Eligibility for Application

- a) To apply for educational loan repayment assistance, the applicant must be an eligible health care provider who:
- 1) Is licensed to practice medicine in all of its branches in Illinois under the Medical Practice Act of 1987; or is licensed as an Advanced Practice Registered Nurse under the Nurse Practice Act; or is licensed as a Physician Assistant under the Physician Assistant Practice Act of 1987;
 - 2) Practices at a medical facility that is located in a designated shortage area ~~an HPSA~~ in Illinois;
 - 3) Participates as a provider in the Medicare, Medicaid and Children's Health Insurance Program ~~Programs~~, as appropriate;

- 4) ~~Agrees to see and treat all patients at the medical facility regardless of the patient's ability to pay for services;~~
- 45) Does not have any judgment liens arising from federal debt;
- 56) Is not excluded, suspended or disqualified by a federal agency;
- 67) Signs a written agreement attesting to accepting repayment of health professional educational loans and to serve for the applicable period of obligated service in a medical facility in a designated shortage area ~~an HPSA~~ in Illinois; and
- 78) Is a U.S. citizen or U.S. national (see 8 U.S.C. 1401, et seq.).
- b) ~~An eligible health care provider must work at a medical facility that must:~~
- 1) ~~Be located in an HPSA in Illinois;~~
- 2) ~~Be not-for-profit as ascribed in the General Not For Profit Corporation Act of 1986;~~
- 3) ~~Participate as a provider in the Medicare, Medicaid and Children's Health Insurance Programs, as applicable;~~
- 4) ~~See and treat all patients regardless of the patient's ability to pay for services; and~~
- 5) ~~Provide discounts for individuals with limited incomes.~~
- be) Applicants are ineligible for educational loan repayment assistance if one or more of the following exist:
- 1) Breach on a prior service obligation to the federal, State or local government, or other entity (such as the U.S. military), even if the eligible health care provider has satisfied the obligation through service, monetary payment or other means;
- 2) Failure to apply previously awarded loan repayment funds to the health care professional's qualifying educational loans; or
- 3) Default on any State payment obligation or State income tax liability.
- cd) Applicants shall document currently existing educational loan indebtedness to all

governmental or commercial lending institutions incurred for educational expenses in pursuit of the applicant's medical degree. Documentation of indebtedness shall include a photocopy or original copy of promissory notes or other evidence of indebtedness, with disclosure of the lending institution or agency, loan amount, loan period, interest rate, and any amounts repaid prior to the date of application.

~~de~~) Applicants shall ~~practice~~~~be practicing~~ full-time or half-time in a medical facility in a designated shortage area ~~an HPSA~~ in Illinois.

~~ef~~) Eligible health care providers~~Physicians~~ having practice obligations to the National Health Service Corps, the Illinois State Loan Repayment Program, or the Illinois Medical Student Scholarship Program may apply for educational loan repayment after completion of the practice obligation.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 590.315 Application Processing

- a) Applications shall be submitted on forms designed by the Department.
- b) Upon receipt of an educational loan repayment application, the Department will determine whether the applicant is eligible to apply under the Act. If the applicant is ineligible to apply, the Department will contact the applicant in writing with the determination.
- c) If the applicant is eligible to apply, the Department will determine whether the application is complete. A review will determine if all applicable criteria have been addressed and if all required materials and documentation have been submitted.
 - 1) If the application is complete, the Department will proceed with the selection process (see Section 590.320).
 - 2) If the application is incomplete, the Department will notify the applicant in writing and specify the items needed to deem the application complete.
- d) An applicant shall document current educational loan debt owed to governmental or commercial lending institutions incurred for expenses in pursuit of the applicant's medical, nursing, or physician assistant degree. For each loan that is being submitted for consideration, the applicant shall provide ~~two types of documentation~~: an account statement, which provides current information on a qualifying educational loan~~and a disbursement report~~. The account statement

~~must~~; is used to provide current information on a qualifying educational loan. The disbursement report is used to verify the originating loan information.

~~1)~~ The account statement is used to provide current information on a qualifying educational loan. This document must:

1A) Be on official letterhead or other clear verification that it came from the lender;

2B) Include the name and address of the borrower;

~~C)~~ ~~Contain the loan's account number;~~

3D) Include the date of the statement (date cannot be more than 30 calendar days prior to the date of application submission); and

4E) Include the current outstanding balance (principal and interest) or the current payoff balance.; ~~and~~

~~F)~~ ~~Include the current interest rate.~~

~~2)~~ The disbursement report is used to verify the originating loan information. This document must:

~~A)~~ ~~Be on official letterhead or other clear verification that it comes from the lender;~~

~~B)~~ ~~Include the name and address of the borrower;~~

~~C)~~ ~~Contain the loan's account number;~~

~~D)~~ ~~Include the type of loan;~~

~~E)~~ ~~Include the original loan date (date must be prior to the date of the application submission);~~

~~F)~~ ~~Include the original loan amount; and~~

~~G)~~ ~~Include the purpose of the loan.~~

e) If an applicant intends to work at more than one medical facility (e.g., several satellite clinics), each location shall be in a designated shortage area ~~an HPSA~~ in Illinois.

- f) The medical facility shall agree to employ the eligible health care ~~provider~~professional for a minimum of two years or the duration of the ~~agreement~~Grant Agreement.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 590.320 Selection Criteria for Distribution of Loan Repayment Funds

- ~~a) When funds and numbers of applications are sufficient to support a geographic separation into urban and rural groupings, an equal number of applicants will be selected from each of the groups.~~

- ~~a~~b) In determining which applications will be accepted, the Department will apply the following criteria:

- 1) The individual's commitment to serve in a medical facility in a designated shortage area~~an HPSA~~ in Illinois;
- 2) The availability of the individual for service, with highest consideration given to individuals who will be available for service at the earliest date; and
- 3) Greatest documented eligible educational indebtedness of an applicant.

- ~~b~~e) Applicants will be notified as to whether the application is approved or denied. The notice will be made by regular U.S. Mail or other communication.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 590.325 Educational Loan Repayment Agreement

- a) The ~~educational loan repayment~~ award to a recipient will not be final until the recipient and the Department have executed ~~an~~a loan repayment agreement setting forth the terms and conditions of the agreement on a form provided by the Department.
- b) Pursuant to the Illinois Grant Funds Recovery Act, the ~~educational loan repayment~~ agreement shall, at a minimum:
- 1) *Describe the purpose of the award and be signed by the Department and the recipient;*

- 2) *Specify how payments shall be made, what constitutes permissible expenditure of award funds, and the financial controls applicable to the award, including, for those awards in excess of \$25,000, the filing of quarterly reports describing the recipient's progress in the program and the expenditure of the award funds related to the program;*
 - 3) *Specify the period of time for which the award is valid and the period of time during which award funds may be expended by the recipient;*
 - 4) *Contain a provision that any recipients receiving award funds are required to permit the Department, the Auditor General or the Attorney General to inspect and audit any books, records or papers related to the program for which award funds are provided;*
 - 5) *Contain a provision in which the recipient certifies under oath that all information in the ~~loan repayment~~ agreement is true and correct to the best of the recipient's knowledge, information and belief; that all funds shall be used only for the purposes described in the ~~loan repayment~~ agreement; and that the award of loan repayment funds is conditioned upon the certification. (Section 4(b) of the Illinois Grant Funds Recovery Act)*
- c) The amount of ~~an~~ loan repayment award shall be based on the following:
- 1) If the recipient works full-time at a medical facility in a designated shortage area ~~an HPSA~~ in Illinois for two years, the recipient can receive a maximum of \$50,000 if the recipient has that amount in educational debt.
 - 2) If the recipient works half-time at a medical facility in a designated shortage area ~~an HPSA~~ in Illinois for four years, the recipient can receive a maximum \$50,000 if the recipient has that amount in educational debt.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 590.326 Fulfillment of Service Obligation

- a) Full-time Service Obligation Option
 - 1) In exchange for educational loan repayment assistance, a recipient shall work full-time to fulfill a service obligation at a medical facility in a designated shortage area ~~an HPSA~~ in Illinois.

- 2) Recipients shall provide two years of full-time service for each year of educational loan repayment assistance. The 40 hours per week requirement can be compressed into no fewer than four days per week, and excess hours cannot be applied to any other work week.

b) Half-time Service Obligation Option

- 1) In exchange for educational loan repayment assistance, a recipient shall work half-time to fulfill a service obligation at a medical facility in a designated shortage area ~~an HPSA~~ in Illinois.
- 2) Recipients shall provide two years of half-time service for each year of educational loan repayment assistance. Recipients who are half-time shall not receive service credit for hours worked over their half-time status and excess hours shall not be applied to any other week.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 590.327 Deferment of Service Obligation

A request to defer the recipient's service obligation shall be submitted in writing to the Department. The request shall detail the reasons for the deferment and shall be accompanied and supported by documentation described in this Section.

a) Deferment of the service obligation shall include:

- 1) Providing documentation of a physical or mental health disability that results in the recipient's temporary inability to fulfill the service obligation. Documentation shall include an explanation from a physician, advanced practice registered nurse, or physician assistant licensed to practice ~~medicine~~ in ~~Illinois~~ the United States attesting to the recipient's temporary inability to fulfill the obligation. This deferment may be granted for up to 12 months.
- 2) Requesting up to ~~12~~ seven weeks leave for maternity, paternity or adoption leave. If the recipient's leave will exceed ~~12~~ seven weeks, a deferment may be granted based on documented medical need.

b) A recipient who is a military reservist and is called to active duty by the armed forces of the United States will be granted a deferment beginning on the activation date in the active duty order. The recipient shall submit a copy of the order to active duty with the written request for deferment. The duration of the deferment shall equal the recipient's period of active military duty.

- c) Recipients who receive a deferment shall have their service obligation tolled. The tolling of this requirement shall equal the recipient's period of deferment.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 590.330 Terms of Performance

- a) Each ~~recipient~~physician selected for educational loan repayment assistance shall sign a written ~~agreement~~contract with the Department. The ~~agreement~~contract shall contain terms and conditions that ensure compliance with the laws of the State of Illinois and this Part, and enforcement of the ~~agreement~~contract.
- b) Each ~~recipient~~physician selected for loan repayment assistance shall practice as a primary care physician, a general surgeon, emergency medicine physician, ~~or~~ obstetrician, advanced practice registered nurse, or physician assistant in a medical facility in a designated shortage area~~an HPSA~~ in Illinois on a full-time or half-time basis.
- c) ~~Recipients~~Educational loan repayment assistance recipients who move their practice from the location described in the ~~agreement~~recipient's original application shall relocate to a medical facility in a designated shortage area~~an HPSA~~ in Illinois.
- d) Misrepresentation of any material facts presented in the application or in response to any Department inquiry will be considered a breach of the agreement~~contract~~. If the Department determines that a breach of the agreement~~contract~~ has occurred, any funds provided by the Department for the repayment of educational loans shall be due in full immediately. The Department will void the agreement and the recipient will be disallowed from participating in the program.
- e) If the ~~recipient~~physician does not repay any funds owed to the Department, the Department shall refer the matter to the Illinois Attorney General, a collection agency, or a licensed attorney.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 590.335 Medical Facility Transfer

A recipient may transfer from the ~~qualified~~ medical facility stipulated in the ~~educational loan repayment~~ agreement to a new ~~qualified~~ medical facility, provided that all of the requirements in this Section are met.

- a) The recipient shall request ~~from~~^{of} the Department, in writing, a transfer. The request shall be submitted to the Department at least 30 calendar days prior to the anticipated transfer. The request must be approved before the recipient transfers to the new medical facility~~site~~.
- b) If the recipient transfers from the medical facility stipulated in the agreement to a new medical facility~~sites~~ prior to Department approval, the recipient will not receive ~~service~~-credit toward their service obligation for the time period between the transfer and the subsequent approval. The recipient's service obligation will be tolled to accommodate this time period.
- c) The new medical facility shall be in a designated shortage area~~an HPSA~~ in Illinois.
- d) If the transfer request is denied, the recipient shall continue to work at the original medical facility.
- e) If the transfer request is denied and the recipient refuses assignment to the current medical facility or to another approved medical facility, the recipient shall be in breach.
- f) A recipient~~health care professional~~ who resigns from his or her current medical facility without prior written approval from the Department, or is terminated by the medical facility for cause, and who does not receive a Department pre-approved transfer to another medical facility shall be in breach.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 590.340 Reporting Requirements

Failure of the recipient to comply with any of the requirements of this Section shall result in the Department's withholding or suspending of educational loan repayment funds and recovery of previously disbursed educational loan repayment funds (see Section 4.1 of the Illinois Grant Funds Recovery Act).

- a) The recipient shall submit a detailed written progress report to the Department every three months for the duration of the agreement.
- b) Within the progress report, the recipient shall document that:
 - 1) Funds were used to pay off educational debt (documentation shall consist of copies of payments made to the lending institution where the qualifying

educational loans were obtained or copies of account statements that document payments made during the reporting period); and

2) The eligible health care ~~provider~~professional is still working (full-time or half-time, as agreed) at the medical facility by reporting the hours worked at the medical facility.

c) The payment history shall document that all loan repayment funds received were paid toward the qualifying educational loan.

d) If the Department determines that all educational loan repayment funds were not paid toward the qualifying educational loan, the Department shall terminate the agreement and take any appropriate or necessary action to recover loan repayment funds.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 590.345 Educational Loan Repayment Award Monitoring

a) The ~~educational loan repayment~~ agreement will be monitored throughout the agreement period. Components in the monitoring process include, but are not limited to, the agreement, the recipient's progress reports, and correspondence, e-mails and telephone calls concerning the agreement.

b) The recipient shall fully and promptly cooperate with the Department's efforts to monitor and verify compliance with the agreement, including providing supporting documentation. The recipient shall retain all records relating to the agreement until after all final reports have been submitted to, and reviewed by, the Department.

c) The recipient shall maintain records necessary to document compliance, take appropriate action to meet the stated objectives, and immediately notify the Department of any breaches of the agreement or of problems or concerns.

d) The recipient shall be subject to unannounced on-site visits by the Department during normal business hours.

e) The recipient shall provide, upon request, copies of all documents concerning the expenditure of educational loan repayment funds.

f) The Department will relay any questions and concerns regarding management of educational loan repayment funds to the recipient in writing. The recipient will be requested to respond in writing addressing the concerns.

- g) If the Department finds evidence of financial mismanagement, the Department may terminate the agreement and take any appropriate or necessary action to recover educational loan repayment funds.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 590.355 Penalty for Failure to Fulfill Service Obligation

- a) If the recipient fails to fulfill ~~the service~~^a obligation to provide service at the medical facility in ~~a designated shortage area~~^a ~~an HPSA~~ in Illinois for the duration and hours specified in the agreement, the recipient shall be in breach of the ~~educational loan repayment~~ agreement.
- b) Breach shall include, but not be limited to, the following:
- 1) Failure to practice at the location specified in the agreement;
 - 2) Resignation from the recipient's current ~~medical facility~~^{site} without prior written approval from the Department or termination by the medical facility for cause;
 - 3) Material misstatement in furnishing any information to the Department;
 - 4) Any misrepresentation for the purpose of obtaining or keeping educational loan repayment assistance; or
 - ~~5) Failure to provide care because of an individual's inability to pay; or~~
 - 56) Failure to promptly retire educational loan balances by the amount of educational loan repayment assistance received during the agreement term.
- c) If the Department believes that any breach has occurred, ~~then~~ the Department shall ~~either refer the matter to the Illinois Attorney General for commencement of collection litigation or~~ commence administrative recovery pursuant to the Illinois Grant Funds Recovery Act. ~~In either case, actions shall include all of the remedies referenced in subsections (e)(1)(B) and (e)(2). Any final order entered by the Director following the administrative recovery process shall be reviewable in the Circuit Court pursuant to the Administrative Review Law.~~
- d) Agreements made under this Part are subject to the Illinois Grant Funds Recovery Act. If a provision of this Part conflicts with a provision of the Illinois Grant

Funds Recovery Act, the provision of the Illinois Grant Funds Recovery Act will control. ~~Any dispute about the terms of performance or repayment will be governed by the Department's administrative hearing process or the Illinois Grant Funds Recovery Act.~~

- e) The Department shall have the authority to issue any records request and receive access to documents as part of an investigation, audit, inquiry or review into the use of educational loan repayment funds.

~~When the administrative hearing process determines that the agreement has not been fulfilled, the Department and recipient shall enter into a contract for the repayment of the obligation.~~

- ~~1) A recipient who breaches a commitment to serve full-time or half-time shall be liable to the Department for an amount equal to the sum of the following:
 - ~~A) The amount of loan repayment assistance paid to the health care professional, representing any period of obligated service not completed;~~
 - ~~B) The amount of \$7,500 multiplied by the number of months of obligated service not completed; and~~
 - ~~C) Interest on the amount in subsection (c)(1)(A) at the maximum legal prevailing rate, as determined by the U.S. Treasurer, from the date of the breach of the loan repayment agreement.~~~~
- ~~2) The minimum amount the Department is entitled to recover from a health care professional who breaches a commitment to serve will not be less than \$31,000.~~
- ~~3) To fulfill the repayment requirements of this Section, the recipient shall have 30 calendar days after the conclusion of the administrative hearing to enter into a repayment contract with the Department. This contract shall contain terms of the repayment and provisions for the enforcement of the agreement.~~
- ~~4) All amounts owed by the recipient shall be paid to the Department within one year after the date the Department determines that the recipient is in breach of the program obligations.~~

~~5) If the recipient does not repay all funds owed to the Department within the required time period, the Department may use all collection methods available, including referral to the Illinois Attorney General or a collection agency for resolution.~~

~~6) The amounts paid to the Department shall be deposited into the Rural/Downstate Health Access Fund.~~

f) Every recipient shall keep complete and accurate records of all educational loan repayment funds received and utilized. A recipient's failure to maintain accurate records shall create a presumption in favor of recovery by the Department.

g) Whenever the Department believes that educational loan repayment funds are subject to recovery, the Department shall provide the recipient the opportunity for at least one informal hearing to determine the facts and issues and to resolve any conflicts as amicably as possible before taking any formal recovery actions. (Section 7 of the Illinois Grant Funds Recovery Act)

h) The offer of an informal hearing will be in writing and will provide the recipient with no fewer than 10 calendar days in which to request an informal hearing. A recipient's failure to deliver a timely request for an informal hearing shall constitute the recipient's waiver of the informal hearing. During any informal hearing, the recipient may be represented by a licensed attorney.

i) If, after an informal hearing or, if no timely request for an informal hearing is received, the Department determines that any educational loan repayment funds are to be recovered, the Department will provide the recipient with formal written notice of its intent to recover educational loan repayment funds. The notice will identify the funds and the amount to be recovered and the specific facts that permit recovery.

j) A recipient shall have 35 days from the receipt of the notice required in subsection (i) to request a hearing to show why recovery is not proper.

k) If a recipient timely requests a hearing, the Department will hold a formal hearing in accordance with Practice and Procedure in Administrative Hearings, at which the recipient may present evidence and witnesses to show why recovery should not occur. After the conclusion of the hearing, if recovery is warranted, the Department will issue a written final recovery order and send a copy of the final recovery order to the recipient by Certified U.S. Mail.

l) A recipient may seek judicial review in the circuit court of any Department final recovery order, pursuant to the Administrative Review Law.

- m) The Department will not take any action of recovery until at least 35 days after a final recovery order has been issued.
- n) If a recipient does not timely request a hearing, the Department may proceed with recovery of the educational loan repayment funds identified in the notice issued pursuant to this Section, at any time after the expiration of the 35-day request period.
- o) Any notice or mailing required or permitted by this Section shall be deemed received five days after the notice or mailing is deposited in the U.S. mail, with the recipient's current address and with sufficient U.S. postage affixed, or the date of actual delivery, whichever is sooner.
- p) During any formal hearing, the recipient may be represented by a licensed attorney.
- q) The amounts paid to the Department shall be deposited into the Rural/Downstate Health Access Fund.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 590.360 Suspension or Termination of Educational Loan Repayment Funding

- a) Availability of Appropriation or Sufficiency of Funds
 - 1) All awards are contingent upon and subject to the availability of funds. The Department may deny an application or may terminate or suspend any agreement, in whole or in part, without penalty or further payment being required, if:
 - A) The Illinois General Assembly fails to make an appropriation sufficient to pay the obligation or if funds needed are insufficient for any reason;
 - B) The Governor decreases the Department's funding by reserving some or all of the Department's appropriation or appropriations pursuant to power delegated to the Governor by the Illinois General Assembly; or
 - C) The Department or the Governor determines that a reduction is necessary or advisable based upon actual or projected budgetary considerations.

- 2) The recipient will be notified in writing of the lack of appropriation or a reduction or decrease.

b) Termination for Cause

- 1) The Department may immediately terminate the agreement, in whole or in part, upon notice to the recipient, if:

A) The recipient is convicted of committing any illegal act other than a minor traffic violation;

B) The Department determines that the actions or inactions of the recipient have caused, or reasonably could cause, jeopardy to health, safety or property of any person or the Department itself;

C) The Department has notified the recipient that the Department is unable to perform the agreement; or

D) The Department has reasonable cause to believe that the recipient cannot lawfully perform the agreement.

- 2) If the Department believes that any breach has occurred, then the Department shall either refer the matter to the Illinois Attorney General for commencement of collection litigation or commence administrative recovery pursuant to the requirements of the Illinois Grant Funds Recovery Act. In either case, actions shall include all of the remedies referenced in Section 590.355~~(e)(1)(B) and (e)(2)~~. Any final order entered by the Director following the administrative recovery process shall be reviewable in the Circuit Court pursuant to the Administrative Review Law.

(Source: Amended at 47 Ill. Reg. _____, effective _____)